

ENDING CURRENCY MANIPULATION COULD CREATE 254,600 JOBS IN OHIO

Called the Single Most Important Policy Change for U.S. Workers

Washington – The United States could create up to 5.8 million new jobs if it acted to end global currency manipulation, according to a report released today by the Economic Policy Institute (EPI). The study found that Ohio alone would see significant job gains within three years, with a major impact on manufacturing job growth.

Currency manipulation is the primary cause of the nation's \$703 billion annual goods trade deficit, a massive imbalance that has harmed American manufacturers. The EPI report finds that eliminating currency manipulation over the next three years would significantly rebalance trade flows, creating jobs in every state and almost every congressional district.

The report concluded that as many as 254,600 jobs could be created in Ohio if currency manipulation were eliminated by 2015.

"Congress and the Administration have a new focus on manufacturing because they understand its value to the American economy," said Scott Paul, president of the Alliance for American Manufacturing (AAM). "But they are ignoring the most important job-creating opportunity for manufacturing; stopping currency manipulation. The key to an economic recovery, especially in Ohio, is restoring manufacturing job growth. To shore up those jobs, Washington should launch a national manufacturing strategy that starts with passing bipartisan legislation to end currency manipulation."

Widespread Economic Benefits

The EPI report suggests that by realigning exchange rates, U.S. trade deficits would be reduced by up to \$500 billion per year by 2015 and could:

- Increase U.S. GDP by up to \$720 billion per year (4.9 percent);
- Support creation of up to 5.8 million jobs;
- Increase manufacturing jobs by up to 2,337,300 jobs; and

• Increased tax revenues and reduced safety net expenditures would reduce federal budget deficits by up to \$266 billion in 2015.

Economic Benefits for Ohio

As a result of drastic reductions to the U.S. goods trade deficit, states like Ohio would experience real gains through increased domestic and international demand for manufactured goods.

The EPI report cites "the enormous economic benefits" that eliminating currency manipulation by 2015 would have for Ohio. It would:

- Reduce Ohio's unemployment rate by up to 2.7 percentage points;
- Create up to 75,900 Ohio manufacturing jobs (equal to 38.0 percent of all Ohio jobs created through ending currency manipulation);
- Increase Ohio GDP by up to \$17.4 billion (an increase of 3.9 percent); and
- Improve the fiscal position of Ohio state and local governments altogether by up to \$3.7 billion (improvements that would continue as long as the trade balance remained stable), as output growth led to increased tax revenues and spending reductions.

"President Obama often cites restoring America's manufacturing prowess as a key to restoring the nation's prosperity," Paul said. "But his efforts to stop currency manipulation have been completely inadequate to get the job done. This report shows why stopping currency manipulation is so important."

Paul added, "No other policy change could have such a profoundly positive impact for American manufacturing jobs."

Source: Economic Policy Institute